

**Canadian Association of Optometrists**

**Year Ended March 31, 2021**



**Andrews & Co.**

Chartered Professional Accountants • Professional Corporation

# CANADIAN ASSOCIATION OF OPTOMETRISTS

## FINANCIAL STATEMENTS

Year ended March 31, 2021

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## INDEPENDENT AUDITOR'S REPORT

To: The Members of Canadian Association of Optometrists

### *Opinion*

We have audited the accompanying financial statements of **Canadian Association of Optometrists**, which comprise the statement of financial position as at **March 31, 2021**, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at **March 31, 2021**, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

### *Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### *Other Matter*

The financial statements of the Canadian Association of Optometrists for the year ended March 31, 2020 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 13, 2020.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

## INDEPENDENT AUDITOR'S REPORT, continued

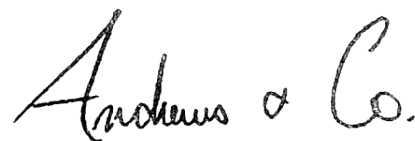
### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- ♦ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ♦ Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- ♦ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ottawa, Ontario  
June 12, 2021



**CHARTERED PROFESSIONAL ACCOUNTANTS  
PROFESSIONAL CORPORATION  
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**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**STATEMENT OF FINANCIAL POSITION**  
As at March 31, 2021

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 705,366	\$ 656,894
Accounts receivable - Note 3	303,981	239,959
Prepaid expenses	144,011	115,825
GST receivable	-	4,684
	<u>1,153,358</u>	<u>1,017,362</u>
<b>INVESTMENTS - Note 4</b>	<b>2,294,507</b>	<b>1,950,463</b>
<b>PROPERTY, PLANT AND EQUIPMENT - Note 5</b>	<b><u>414,206</u></b>	<b><u>384,385</u></b>
	<b><u>\$ 3,862,071</u></b>	<b><u>\$ 3,352,210</u></b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 185,348	\$ 273,874
Deferred contributions - Note 6	662,362	565,969
GST payable	12,133	-
	<u>859,843</u>	<u>839,843</u>
<b>OPERATING FUND</b>	<b>2,338,022</b>	<b>1,787,704</b>
<b>INVESTED IN CAPITAL ASSETS - Note 5</b>	<b>414,206</b>	<b>384,385</b>
<b>BUILDING FUND - Note 2</b>	<b><u>250,000</u></b>	<b><u>340,278</u></b>
	<b><u>3,002,228</u></b>	<b><u>2,512,367</u></b>
	<b><u>\$ 3,862,071</u></b>	<b><u>\$ 3,352,210</u></b>

The accompanying notes are an integral part of these financial statements

Approved on behalf of the board

Chair of the Board \_\_\_\_\_

Chair of the Finance Committee \_\_\_\_\_

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**STATEMENT OF OPERATIONS**  
Year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
<b>REVENUES</b>		
Advertising	\$ 131,341	\$ 120,774
Canadian Certified Optometric Assistant (CCOA)	329,940	396,286
Congress registrations and sponsorships	-	657,815
Government funded CCOA project	4,785	42,048
Insurance industry	-	86,100
Investment interest and dividends	53,288	66,548
Memberships	1,615,926	1,619,237
Non-dues revenue	224,382	272,301
Public relations levy and sponsorship	-	99,930
Sponsorship	65,750	10,800
Vision at Work (VAW)	276,898	353,750
	<u>2,702,310</u>	<u>3,725,589</u>
<b>EXPENDITURES</b>		
Advocacy and stakeholders	39,389	54,261
Amortization - Note 5	83,335	158,953
Bad debts	14,729	12,981
Bank charges	15,953	16,774
Building maintenance and repairs	161,912	71,590
CCOA workshops and continuing education	20,588	124,397
Congress	-	377,249
Council	116,704	386,278
Donations	20,000	10,000
Government funded CCOA project expenses	705	42,048
Insurance	13,594	13,129
Insurance industry initiatives	137,012	236,214
Marketing and memberships	134,585	133,718
Office administration	46,250	53,916
Optometric leadership forum and conferences	57,827	104,617
Policy and research	20,000	3,460
Printing and production	113,521	125,940
Professional fees	76,757	53,241
Public relations levy	100,000	165,649
Support staff	1,087,725	1,060,381
Technology and database	73,568	65,747
VAW materials and Doctor of Optometry (OD) fees	173,488	247,782
Website and learning management systems	50,719	45,189
World Council of Optometry (WCO)	11,418	11,892
	<u>2,569,779</u>	<u>3,575,406</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES FROM OPERATIONS</b>	<b>132,531</b>	<b>150,183</b>

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**STATEMENT OF OPERATIONS, continued**  
**Year ended March 31, 2021**

	<u>2021</u>	<u>2020</u>
<b>OTHER INCOME (EXPENSE)</b>		
Realized and unrealized (losses) gains on sale of investments	<u>357,331</u>	<u>(160,083)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 489,862</u>	<u>\$ (9,900)</u>

The accompanying notes are an integral part of these financial statements

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
Year ended March 31, 2021

	<u>Operating Fund</u>	<u>Invested in Capital Assets</u>	<u>Building Fund</u>	<u>Total 2021</u>	<u>Total 2020</u>
<b>BALANCE, BEGINNING OF YEAR</b>	\$ 1,787,704	\$ 384,385	\$ 340,278	<b>\$ 2,512,367</b>	\$ 2,522,270
Excess of revenues over expenditures - operating	132,531	-	-	<b>132,531</b>	150,180
Excess (deficiency) of revenues over expenditures - non operating	357,331	-	-	<b>357,331</b>	(160,083)
Interfund transfer - Note 7	90,278	-	(90,278)	-	-
Invested during the year	(113,156)	113,156	-	-	-
Amortization	<u>83,335</u>	<u>(83,335)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>BALANCE, END OF YEAR</b>	<b><u>\$ 2,338,022</u></b>	<b><u>\$ 414,206</u></b>	<b><u>\$ 250,000</u></b>	<b><u>\$ 3,002,228</u></b>	<b><u>\$ 2,512,367</u></b>

The accompanying notes are an integral part of these financial statements



**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**STATEMENT OF CASH FLOWS**  
Year ended March 31, 2021

	<u>2021</u>	<u>2020</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenditures	\$ 132,531	\$ 150,183
Items not affecting cash		
Amortization	83,335	158,953
Unrealized gain (losses) on investment	389,822	(236,992)
Unrealized foreign exchange loss (gain) on investment	<u>(23,871)</u>	<u>93,998</u>
	<b>581,817</b>	<b>176,042</b>
Change in non-cash working capital items		
(Increase) decrease in accounts receivable	(64,022)	28,596
(Increase) decrease in prepaid expenses	(28,186)	30,473
Decrease (increase) in GST receivable	4,684	(5,094)
(Decrease) increase in accounts payable and accrued liabilities	(88,531)	73,616
Increase (decrease) in deferred contributions	96,393	(485,641)
Increase in GST payable	<u>12,133</u>	<u>-</u>
	<b>514,288</b>	<b>(191,908)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(113,153)	(67,692)
Increase in investments	<u>(8,619)</u>	<u>(17,088)</u>
	<b>(121,772)</b>	<b>(84,780)</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>392,516</b>	<b>(276,688)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u><b>2,607,357</b></u>	<u><b>2,884,045</b></u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u><b>\$ 2,999,873</b></u>	<u><b>\$ 2,607,357</b></u>

The accompanying notes are an integral part of these financial statements

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31, 2021**

1. **NATURE OF OPERATIONS**

Canadian Association of Optometrists (the "Association") was incorporated without share capital under the Canada Business Corporations Act on June 30, 1948. The Association is a national not-for-profit organization formed by the Optometric professional to act on its behalf with government, industry, vision care patients, the public at large, other health professionals, as well as its own professional membership, with respect to issues of vital interest to optometrists. Its mission is to provide leadership and support to its members to enhance the delivery of healthy eyes and clear vision for all Canadians.

The Association is not subject to income taxes under subsection 149(1)(l) of the Canada Income Tax Act.

2. **SIGNIFICANT ACCOUNTING POLICIES**

The Association applies the Canadian accounting standards for not-for-profit organizations.

(a) **Revenue recognition**

The Association derives its revenue from membership contributions, bi-annual Congress registrations, sales of courses for the Canadian Certified Optometric Assistance (CCOA) program, sales of advertising space in the Canadian Journal of Optometry (CJO), sales of safety glasses through the Vision at Work (VAW) program, non-due revenues, sponsorship, investment and government funding.

Membership revenues are recognized on a calendar year basis.

Congress revenue is recognized when the congress is held.

CCOA full course registrations are collected up front from students and are recognized as parts of the courses are delivered to students. CCOA courses consist of learning modules delivered online, live workshops and final exams.

Advertising fees are recognized as revenue upon publication of the magazine.

Safety glass revenue is recognized when the frame/lense is produced.

Sponsorship revenues are recognized when the course takes place.

Investment income and non-dues revenues are recognized when earned.

Government funds are recognized as revenue in the year they are received.

VAW prescription eye wear sales are recognized as revenue upon shipment of eye wear to customers.

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31, 2021**

2. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(b) **Fund accounting deferred**

The Association follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. The following are the funds held by the Association:

*Unrestricted*

The unrestricted fund accounts for the association's members and administrative activities.

*Invested in capital assets*

Assets, liabilities, revenues and expenditures relating to capital assets are reported in the capital assets fund.

*Building fund*

The building fund was created to cover off emergency repairs and necessary renovations to the CAO building. Contributions to this fund will be calculated at year end as the excess over the operating reserve. The association may draw funds from this reserve to replenish the operating reserve fund as deemed necessary.

(c) **Cash and cash equivalents**

The Association's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and highly liquid temporary investments usually with a maturity period of three months or less from the date of acquisition. Term deposits that the Association cannot use for current transactions because they are pledged as security are excluded from cash and cash equivalents.

(d) **Investments**

Investments consist of equities held at fair market value. Gains and losses are reported on the statement of operations.

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31, 2021**

2. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(e) **Property, plant and equipment**

Property, plant and equipment are recorded at cost. The Association provides for amortization using the straight-line method at rates designed to amortize the cost of the property, plant and equipment over their estimated useful lives. Amortization is calculated by the straight-line method at the annual rates set out in note 5.

Property, plant and equipment are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

(f) **Deferred contributions**

Deferred contributions represent fees relating to periods subsequent to the year-end date which are classified as current if they will be recognized in the following year and long-term if they relate to a period more than one year after the balance sheet date.

(g) **Use of estimates**

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. By their nature, these estimates are subject to measurement uncertainty. Items requiring the use of significant estimates include accrued liabilities and the useful life of capital assets. Actual results could differ from these estimates.

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended March 31, 2021

2. **SIGNIFICANT ACCOUNTING POLICIES, continued**

(h) **Financial instruments**

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and GST payable.

Financial assets measured at fair value include a number of other investments, i.e. quoted shares.

*Transaction costs*

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in net income in the period incurred. Transaction costs related to financial instruments subsequently measured at cost or amortized cost are included in the original cost of the financial asset or liability and recognized in net income over the life of the instrument using the straight-line method.

*Impairment*

For financial assets measured at cost or amortized cost, the Association determines whether there are indications of possible impairment. When there is an indication of impairment, and the Association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in the statement of operations. If the indicators of impairment have decreased or no longer exist, the previously recognized impairment loss shall be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess (deficiency) of revenues over expenditures.

3. **ACCOUNTS RECEIVABLE**

	<u>2021</u>	<u>2020</u>
Membership dues receivable	\$ 97,062	\$ 82,071
Non-dues receivable	103,235	67,871
Vision at Work receivable	103,684	89,697
Other receivable	-	320
	<u>\$ 303,981</u>	<u>\$ 239,959</u>

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended March 31, 2021

4. **INVESTMENTS**

Fixed income investments consist of deposit notes at rates varying between 1.583% and 4.859% with maturity dates between 2021 and 2031. All other investments have no specific rates of return or maturity.

	<u>2021</u>	<u>2020</u>
Canadian Investments		
Cash	\$ 2,240	\$ 6,807
Fixed income	234,834	389,514
Preferred shares	57,664	25,352
Common shares	775,617	597,346
Mutual fund	325,946	306,811
Foreign securities	100,635	76,650
Other	<u>-</u>	<u>29,840</u>
	<u>1,496,936</u>	<u>1,432,320</u>
US Investments (converted to Canadian currency at 1.28788 (2020 - 1.4187))		
Cash	114	496
Common shares	707,299	354,894
Mutual funds	82,971	135,162
Other	<u>7,187</u>	<u>27,591</u>
	<u>797,571</u>	<u>518,143</u>
Total investments	<u>\$ 2,294,507</u>	<u>\$ 1,950,463</u>

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
Year ended March 31, 2021

5. **PROPERTY, PLANT AND EQUIPMENT**

			<u>2021</u>	<u>2020</u>
	<u>Rate</u>	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>
Land		\$ 104,396	\$ -	\$ 104,396
Building	65 yrs	250,000	160,907	89,093
Building Improvements	65 yrs	111,560	33,628	77,932
Furniture and fixtures	5 yrs	118,270	118,270	-
Photocopier	5 yrs	12,146	11,486	660
Computer equipment	5 yrs	343,491	334,873	8,618
LMS Database	5 yrs	92,263	92,263	-
CCOA Course Equipment	5 yrs	53,543	52,103	1,440
Wicket Database	3 yrs	60,681	21,913	38,768
Website	3 yrs	52,170	-	52,170
LMS Database - Topclass	3 yrs	54,838	13,709	41,129
CCOA Copyrights	3 yrs	9,800	9,800	-
CCOA Content Development	3 yrs	37,134	37,134	-
		<u>\$ 1,300,292</u>	<u>\$ 886,086</u>	<u>\$ 414,206</u>
Total property, plant and equipment			<u>\$ 886,086</u>	<u>\$ 384,385</u>

6. **DEFERRED CONTRIBUTIONS**

	<u>2021</u>	<u>2020</u>
Memberships	\$ 448,174	\$ 454,671
Canadian Certified Optometric Assistance Program (CCOA)	140,838	105,523
Canadian Journal of Optometry (CJO)	3,100	5,775
Congress	50,000	-
Sponsorship	20,250	-
	<u>\$ 662,362</u>	<u>\$ 565,969</u>
Total	<u>\$ 662,362</u>	<u>\$ 565,969</u>

7. **INTERFUND TRANSFER**

During the year, management approved the transfer of \$90,278 from the building fund to the operating fund.

**CANADIAN ASSOCIATION OF OPTOMETRISTS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended March 31, 2021**

**8. FINANCIAL INSTRUMENTS**

The Association's main financial risk exposures are as follows:

- (a) **Currency risk**  
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Some of the Association's financial assets are exposed to foreign exchange fluctuations. As at March 31, 2021, investments in the amount of \$694,782 (2020 - \$499,396) are shown in US dollars and converted into Canadian dollars.
- (b) **Market risk**  
Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether the factors are specific to the instrument or all instruments traded in the market. The Association holds investments in various equities that are subject to market fluctuations. Management believes the Association's market exposure is low.
- (c) **Credit risk**  
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk in accounts receivable in the amount of \$303,981 (2020 - \$239,959). Management believes that all accounts receivable at the year-end will be collected and as such it's exposure to credit risk is low.
- (d) **Liquidity risk**  
Liquidity risk is the risk that an entity will not be able to meet its financial obligations when they come due. The Association is exposed to liquidity risk in its accounts payable and accrued liabilities in the amount of \$185,348 (2020 - \$273,874). Management considers that sufficient liquidity is maintained by regular monitoring of cash flow requirements to ensure that it has the necessary funds to meet its obligations. As a result, in the opinion of management, the liquidity risk exposure to the Association is low.

There is no significant change in the risk profile for the financial instruments of the Association from that of the prior fiscal year.

**9. SUBSEQUENT EVENTS**

Beginning in March 2020, the Governments of Canada and Ontario, as well as a number of foreign governments, instituted emergency measures as a result of the COVID-19 virus. The virus has had a major impact on Canadian and international securities and currency markets, as well as consumer activity, which may significantly impact the Association's financial position, its results of operations and its cash flows. It is not currently possible to accurately quantify or estimate that impact. No adjustments have been made to these financial statements in relation to the COVID-19 virus.





# Andrews & Co.

Chartered Professional Accountants • Professional Corporation

540 Lacolle Way

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Ottawa . Ontario . K4A 0N9

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T. +1.613.837.8282

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F. +1.613.837.7482

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[www.andrews.ca](http://www.andrews.ca)